

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2005-75-C - ORDER NO. 2005-496  
SEPTEMBER 27, 2005

|  |   |                 |
|--|---|-----------------|
| IN RE: Joint Application of Matrix Telecom, Inc. and | ) | ORDER APPROVING |
| Global Crossing Telecommunications, Inc.,            | ) | TRANSFER AND    |
| Global Crossing Local Services, Inc. and             | ) | WAIVING         |
| Global Crossing Telemanagement, Inc. for             | ) | REGULATIONS     |
| Expedited Approval of a Transfer of Certain          | ) |                 |
| Assets and a Waiver of Applicable Anti-              | ) |                 |
| Slamming Regulations.                                | ) |                 |
|  | ) |                 |

This matter comes before the Public Service Commission of South Carolina (the Commission) on the joint Application of Matrix Telecom, Inc (Matrix or the Buyer) and Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc., and Global Crossing Telemanagement, Inc. (GC or the Seller)(together, the Applicants), pursuant to Section 58-9-310 of the South Carolina Code of Laws, for approval of a transfer of certain assets held by Seller to Buyer and a waiver of applicable anti-slamming regulations, to the extent required. On March 19, 2005, GC and Matrix entered into an Asset Purchase Agreement (hereinafter referred to as the Agreement). Pursuant to the terms and subject to the conditions of the Agreement, Matrix will purchase from GC certain assets and assume certain liabilities relating to GC's Small Business Group, which provides voice and data products to small and medium sized business enterprises throughout the United States. Upon consummation of the transactions contemplated in the Agreement, Matrix will serve the Small Business Group customer base, and GC will

continue to provide service to those customers not previously served by its Small Business Group. GC will retain its authority to provide telecommunications services in South Carolina in order to serve these customers.

The Commission's Docketing Department instructed the Applicants to publish a Notice of Filing in newspapers of general circulation in the affected areas on a one time basis. The Applicants furnished proof of compliance with the instructions of the Docketing Department. No Protests or Petitions to Intervene were filed.

Accordingly, Matrix filed a Motion for Expedited Review of the Application. Specifically, Matrix requested that the hearing requirement to approve the stated asset transfer be waived. According to Matrix, if the Application is granted, the GC Small Business Group will continue to receive the same high quality service at the same rates and under the same terms and conditions. GC will retain its authority to provide telecommunications services to continue to serve its other customers in South Carolina. Matrix noted that the required Notice of Filing was published, and that no comments or Petitions to Intervene have been filed. Further, Matrix states that neither the Office of Regulatory Staff, nor Global Crossing oppose the Application, and, in fact, have consented to the Motion. We grant the Motion for Expedited Review and we hereby waive the hearing requirement of S.C. Code Ann. Section 58-9-310(Supp. 2005) in this matter, in that S.C. Code Ann. Section 1-23-320(f) allows us to make informal disposition of contested cases by stipulation, agreed settlement, consent order or default.

Accompanying the Motion for Expedited Review was the verified written testimony of Dennis Smith, President of Matrix Telecom, Inc. Smith testified to the fact

that the applicants seek authority from the Commission to transfer certain assets from Global Crossing to Matrix and that a waiver of applicable anti-slamming regulations to the extent required should be granted. Smith stated that on March 19, 2005, Global Crossing and Matrix entered into an Asset Purchase Agreement which provided that Matrix would purchase certain assets and assume certain liabilities relating to Global Crossing's Small Business Group. Global Crossing's Small Business Group provides voice and data products to small and medium sized business enterprises in the United States. Once complete, Matrix would provide the same services to Global Crossing's Small Business Group customers. Global Crossing would continue to serve its other South Carolina customers.

According to Smith, the proposed transfer of assets will not adversely affect the provision of telecommunications services to Global Crossing's customers. The Small Business Group customers will continue to receive their existing services under the same rates, terms and conditions and any future changes of those services will be made consistent with Commission requirements. Smith also stated that in accordance with applicable FCC and South Carolina carrier change requirements, advance written notice will be sent to affected Global Crossing customers at least thirty days prior to the transfer informing them of the proposed transaction and giving them an opportunity to switch to another service provider.

Smith also addressed the request for a waiver of anti-slamming regulations. Smith noted that the notice of change in carrier attempts to take into account all relevant notification requirements applicable to the transaction. Out of an abundance of caution,

however, the Applicants are requesting a waiver from any anti-slamming regulations that may be violated by this transfer being made without the specific authorization and verification of each affected customer.

Smith testified that approval of the transaction is in the public interest, in that the proposed transaction will promote competition in the telecommunications market by providing Matrix the opportunity to strengthen its competitive position. Smith states that Matrix will realize significant economic and marketing efficiencies which will increase its ability to provide high quality, low cost services and to compete more effectively in the marketplace. Matrix will be able to take advantage of the economies of scale as a result of its increase in size which will enable Matrix to introduce new products and services over time. From the perspective of the affected customers, Smith notes that the transfer is transparent, leaving unaltered the quality of service they expect. South Carolina customers will have improved services and competitive rates as a result of the promotion of competition in the market. Only business customers with which GC has individual contracts will be affected. No residential customers will be affected. Based on the foregoing, we make the following:

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. The Applicants request approval of a transfer of certain assets held by Seller to Buyer and a waiver of applicable anti-slamming regulations, to the extent required.
2. Pursuant to an Agreement, Matrix will purchase from GC certain assets and assume certain liabilities relating to GC's Small Business Group, which provides

voice and data products to small and medium sized business enterprises throughout the United States.

3. Upon consummation of the transactions contemplated in the Agreement, Matrix will serve the Small Business Group customer base, and GC will continue to provide service to those customers not previously served by its Small Business Group. Only business customers with whom GC has contracts will be affected. No residential customers will be affected.

4. GC will retain its authority to provide telecommunications services in South Carolina in order to serve these customers.

5. The Motion for Expedited Review and waiver of hearing are granted.

6. The Agreement should be approved as being in the public interest, in that competition will be promoted.

7. Advance written notice should be sent to the affected GC customers at least 30 days prior to the transfer informing them of the proposed transaction and giving them an opportunity to switch to another service provider if desired.

8. The waiver of the anti-slamming regulations requested is hereby granted.

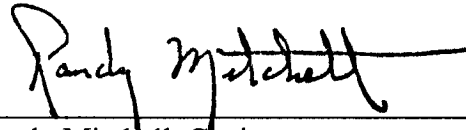
### **CONCLUSIONS**

1. The proposed Agreement between the parties is approved as filed. Written notice of the transfer shall be given to GC's affected customers 30 days in advance of the transfer.

2. The anti-slamming regulations are hereby waived.

3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

A handwritten signature in black ink, reading "Randy Mitchell", written over a horizontal line.

Randy Mitchell, Chairman

ATTEST:

A handwritten signature in black ink, reading "G. O'Neal Hamilton", written over a horizontal line.

G. O'Neal Hamilton, Vice-Chairman

(SEAL)